



DEPARTMENT OF VETERANS AFFAIRS
Regional Office
1240 East Ninth Street
Cleveland OH 44199

July 25, 2001

In Reply Refer To: 325/261
Information Letter 26-01-16

**TO: All Lenders Doing Business in Delaware, Indiana, Michigan
New Jersey, Ohio and Pennsylvania**

**SUBJ: EDI Advantages & Certificates of Guaranty for Loans to be
Refinanced**

1. Background:

- a. The Department of Veterans Affairs (VA) continues to make progress in automating the loan guaranty process. Lenders are increasing their use of VA's Electronic Data Interchange (EDI) procedures to obtain certification of guaranty **on the web** quickly and easily. However, many lenders still continue to rely on paper certificates as evidence of VA guaranty.
- b. Further, some non-EDI lenders are sometimes failing to request loan guaranty certificates from VA after closing. The resulting lack of guaranty certification means that veterans and lenders are having difficulty taking advantage of the VA Interest Rate Reduction Refinance Loan (IRRRL) program. A lack of initial guaranty certification slows any eventual refinancing process by causing additional paperwork and processing, and it places the veterans, as well as loan servicers, at a disadvantage in the event of default.

2. Purpose:

- a. This announcement is to remind lenders who are still not participating in VA EDI that VA EDI can provide them many advantages. These lenders can obtain details concerning their approval to obtain EDI evidence of VA guaranty on the web by contacting Dana Shields at VA's Central Office in Washington, D. C. They may contact her by calling at (202) 273-7406 or by emailing her at lgydshie@vba.va.gov.
- b. We are also issuing this reminder to lenders to verify that they have received loan guaranty certificates or EDI evidence of guaranty for their VA loans. This will prevent delays and confusion that might occur as lenders and veterans work to take advantage of our very popular VA IRRRL program.

3. Contacting Us: If additional information is needed concerning these instructions, or if you would like to schedule VA training for your company, please fax a request to VA Loan Production at (216) 522-3103. We will send you a training menu for your selection of VA loan processing topics and your preferred length of training sessions. VA loan underwriter training also is available as an eight hour tutorial on the web at <http://homeloans.va.gov/train/htm>.

4. Thank you: We appreciate your continuing participation in our VA Loan Guaranty program.

/s/

JAMES L. BRUBAKER, JR.
Loan Guaranty Officer